

# Our Impact 2022/2023

**“The forest is all. We need to understand that if we don’t do something now, it’s too late. We need to stop the excuses and promises and do.”**

**Txai Suruí**, Brazilian activist and Coordinator of the Movement of Indigenous Youth of Rondônia State speaking at our Chatham House event during London Climate Action Week in June 2022.



**Global Canopy is a data-driven not for profit striving to end market-driven deforestation and nature loss. We target the market forces destroying nature.**

A combination of deforestation, industrial agriculture and overexploitation of resources is destroying the ecosystems and biodiversity on which we all depend. It is exacerbating climate change and affecting the rights and livelihoods of Indigenous peoples and local communities.

We aim to create system-wide change for nature, forests and people.

Our work is guided by a three-pronged approach:

1. Data-driven transparency
2. Activating action by investors, corporations, and governments
3. Enabling strong requirements on markets

We gather, curate and mobilise the data necessary to link consumer markets to the destruction of vital ecosystems worldwide. We convert this data into clear metrics and actionable insights, training and guidance.

Forests are essential carbon sinks absorbing greenhouse gas emissions

Forests are home to the majority of the world’s biodiversity

Forests support the livelihoods of 1.6 billion people



## Initiatives to assess, track and act on deforestation and nature loss

Over the last 20 years Global Canopy has developed a series of pioneering initiatives and award-winning open data platforms used daily by companies, financial institutions, governments, civil society and media organisations around the world.



## Data-driven transparency

Trase is the world's most comprehensive open-access database on the global trade in forest-risk commodities. This year the Belgian, French and German governments have used Trase to assess their imported deforestation risks, allowing countries to take action on a national level.

**“Trase produced significant new analysis showing - in unprecedented breadth and detail - how Germany’s import and consumption of agricultural commodities is linked to tropical deforestation.”** Katja Albrecht, GIZ - Germany’s development agency.

We’ve brought unprecedented transparency to sectors including soy markets from Argentina and cocoa from the Côte d’Ivoire highlighting the levels of destruction. But we’ve also shown how positive action is yielding results in Indonesia, where deforestation is falling, even though palm oil production is increasing, demonstrating that sustainable production is possible.

In February we released our ninth annual Forest 500 report covering those companies and financial institutions most at risk of driving deforestation. Our biggest ever launch secured over 200 pieces of media coverage in 20 countries, with a combined reach of 29.6 million views.

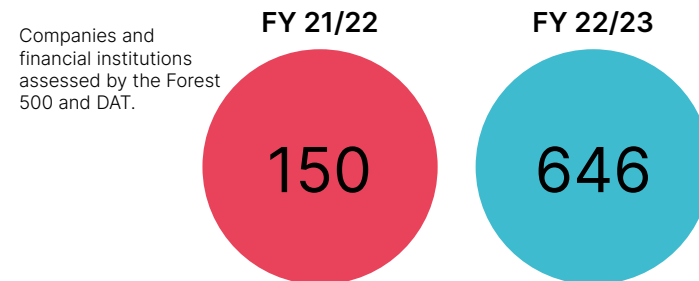
**40%**

of companies and financial institutions haven’t set a single policy on deforestation.

**\$6.1tr**

of finance flowed to companies in forest-risk supply chains

Because financial institutions have the power to change the deforestation landscape, over the last year we’ve quadrupled the number we assess through our new Deforestation Action Tracker (DAT).



Assessing financial institutions in coalitions including the Glasgow Financial Alliance for Net Zero (GFANZ) and Race to Zero, the tracker highlights that almost all of the organisations assessed will fail to meet their climate targets because of a lack of action on deforestation.

## Activating action

The UN is clear, the window for action to tackle the twin climate and nature crises is rapidly closing. That's why, across our programmes, we're enabling companies and financial institutions to actively use our data to make better decisions around deforestation and nature.

More companies and financial institutions than ever before are engaging with our Forest 500 team.

FY 21/22

31

FY 22/23

71

Asset management company Schroders has been assessed in the Forest 500 annually since 2014. In our 2021 report, Schroders scored just 4% for its action to eliminate deforestation from its portfolio. A year on, the asset manager has become the top performing financial institution in the Forest 500 increasing its score by 46% to 50%. Although we are pleased to see such progress, Schroders' score demonstrates how far financial institutions have to go.

Building on our Finance Sector Roadmap, which sets a pathway for eliminating deforestation, conversion and human rights abuses from portfolios by 2025, we've created bespoke guidance for different types of financial institutions. It includes the Deforestation-free Investment Mandate for family offices and foundations and our pensions guidance.



Over 1,100 organisations work with the TNFD across 22 sectors in 58 different countries and territories.

The development of the Taskforce on Nature-related Financial Disclosures (TNFD) – which we helped found – is continuing apace. As a piloting partner, we have been working with leading organisations to help test the TNFD framework to ensure it is fit for purpose.

**“ENCORE lies at the cutting edge of sustainable finance, allowing financial institutions to take material action to pivot the real economy towards a nature-positive future.”** Eric Usher, Head of the United Nations Environment Programme Finance Initiative.

Our free online ENCORE (Exploring Natural Capital Opportunities, Risks and Exposure) tool is now the go-to-platform for financial institutions and businesses to obtain a comprehensive overview of their impacts and dependencies on nature, with over 4,000 registered users.

And in late 2023 we will launch our new Forest IQ database, bringing together the most credible and accurate corporate performance data on deforestation in one place. Developed alongside SEI and The Zoological Society of London (ZSL), 50 leading financial institutions are testing the beta version to help us ensure it is fit for purpose. Once launched it will be Global Canopy's first commercial product offering.



## Enabling strong requirements on markets

Government action is essential to deliver change at the scale and speed we need. And in a landmark year for international laws and agreements, Global Canopy has been central to efforts to transform the legislative landscape.

We were significantly involved in the creation of the EU Deforestation Regulation (EUDR), the world's first anti-deforestation law and are continuing to advise and offer feedback to improve its scale and scope. The EU has now committed to look at extending the law to cover wooded savannahs by 2024, and grasslands and wetlands by 2025, after our analysis showed the EUDR would omit vital non-forest ecosystems, including much of the Cerrado in Brazil.

In the UK we've given evidence to and worked with MPs to demand financial institutions are included in any deforestation laws. Now the government has committed to an expert review to consider extending due diligence to the finance sector. We've also provided feedback on the secondary legislation that will make the law operational.

December saw almost 200 nations sign up to the Kunming-Montreal Global Biodiversity Framework (GBF) at COP15 where we were active participants. The TNFD was at the heart of discussions and ENCORE was positioned as a key tool to enable businesses to fulfil target 15 of the GBF which requires they assess and disclose biodiversity dependencies, impacts and risks.

**"Trase has fundamentally reshaped the deforestation policy landscape in Europe."** Katie Caudle, former head of Supply Chains at BEIS, UK Government.

## A thought leader in the deforestation and nature space

Global Canopy began as a network of forest scientists committed to the study and protection of rainforests. But our work over the last two decades has seen the organisation become recognised as a thought-leader in the climate, deforestation and nature space.

As well as running our own events, over the past year, we have been invited to speak at both the EU and UK Parliaments and at high profile summits including London Climate Action Week, New York Climate Week, COP27 and COP15.

**50** external events Global Canopy participated in.

**27** bespoke Global Canopy events, webinars and roundtables.

**15** different Global Canopy spokespeople.

In November we were asked to curate a session for the UN Development Programme's Nature for Life Hub, which more than 10,000 people viewed live. We've launched the Global Canopy podcast and regularly write opinion pieces for external publications sharing our extensive expertise on nature loss, deforestation and finance.

Key to our mission is providing a platform for Indigenous voices and local communities to be heard by our audiences. At London Climate Action Week, Txai Suruí, the Indigenous leader who opened COP26, spoke at Brazil: from bad to worse since COP26 – our event at Chatham House. At COP27 in Egypt, Joênia Wapixana, Brazil's first Indigenous Congresswoman and the current President of FUNAI, took part in our Amazon on the verge of a new future event.

**"Forests offer us a precious gift. A chance to take on, and perhaps even turn around, the intertwined crisis of climate and nature we have made for ourselves."**

Niki Mardas, Executive Director  
Global Canopy



## A call to action

Global Canopy has a proven track record as a catalyst for change. We put deforestation on the map for the finance sector. But the size of the double emergency we face means we must go **further** and **faster**.

We are in a decisive decade for the future of our planet. World leaders pledged to halt and reverse deforestation by 2030. This is a promise that **cannot** be broken.

So we are mobilising new workstreams that will help improve our data, put our tools in more hands, and maintain pressure for action.

Our new cross-cutting programme on education and training for the finance sector will introduce our guidance and frameworks to more key actors, and upskill them on how to include nature in their decision-making.

We will deepen our work on human rights across our programmes and strengthen our partnerships with Indigenous leaders from Brazil.

Our mission is to drive systemic change to create an economy that works for nature, forests, and people.

## Our supporters

We are proud to have the trust of a close circle of forward-thinking donors, whose ongoing support enables us to grow sustainably and innovate. These investments have major amplifying power, and are leveraged many times over by large-scale funding from institutional donors – including the governments of Switzerland, Norway, Germany and the UK.



# globalcanopy.org

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**Global Canopy**

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